

## Cotton Domestic Fundamentals:

Steady to firm sentiments were seen on Tuesday's trade Supported by firm export demand. Traders added that the major producer of cotton, Gujarat, may also export higher this year. Traders added that export this year could reach 60 lakh bales against 52 lakh bales last year. So far, contracts for 50 lakh bales for the country have been signed up, and India's total contracts are likely to reach between 80 lakh bales and 85 lakh bales. Traders added that higher export is possible as Gujarat's cotton production this year is likely to be 112 lakh bales, up from 78 lakh bales last year and lifting of restrictions. Meanwhile, Eurozone crisis has hit apparel exports the most from Kolkata. Though the United States is showing a marginal recovery in recent times, orders from Europe have gone down significantly. Orders from Italy and Spain have almost become nil and could reduce India's total apparel exports by 15%.

## Cotton International Fundamentals

Cotton futures will re-open on 27<sup>th</sup> December 2011. Meanwhile, Brazil's 2011-12 cotton production is forecast to a record 9.5 million bales, up 8% over the estimated 8.7 million bales produced in 2011-12. The 2011-12 area planted to cotton is forecast at 1.5 million hectares.

## Outlook: Domestic and International

In the short term, domestic cotton prices move range bound to firm on firm demand.

U.S markets may trade range bound to firm on firm Chinese demand.

### NCDEX Kapas Futures: (Prices in Rs/20/kg)

Contract	+/-	Open	High	Low	Close
Feb-12	16.6	790.0	816.0	771.0	805.0
Mar-12	30.7	798.6	806.4	798.6	806.0
Apr-12	16.2	789.0	819.0	788.5	805.0

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	64	-70	65	-9
Mar-12	8	3	30	-1
Apr-12	13641	4676	10984	477

Spread	Feb-12	Mar-12	Apr-12
Basis	50.0	49.0	50.0
Feb-12	-	1.0	0.0
Mar-12		-	-1.0
Apr-12			-

**NB:** Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

### MCX Kapas Futures: (Prices in Rs/20/kg)

Contract	+/-	Open	High	Low	Close
Mar-12	17.7	782.0	813.2	781.1	806.0
Apr-12	18.3	787.0	821.0	787.0	810.1

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	1906	949	588	-68
Apr-12	2577	1294	1037	-137

Spread	Mar-12	Apr-12
Basis	49.0	44.9
Mar-12	-	4.1
Apr-12		-

**NB:** Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

### MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	+/-	Open	High	Low	Close
Dec-11	550	16390	16950	16280	16850
Jan-12	140	16580	16770	16460	16580
Mar-12	200	16750	17110	16750	16930

## Cotton Prices at Key Spot Markets

Centre	Prices		Change
	27-12-11	26-12-11	
Kadi – Bt Cotton#	4100-4350	4100-4325	25
Amravati – Vunni Mech-1#	3800-4000	3800-3900	100
Ahmedabad – Shankar-6#	4200-4350	4150-4350	Unch
Abhor – J-34*	3455	3435	20
Muktsar – J-34*	3455	3435	20

\*-Rs/maund, #-Rs.qtl

## Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	27-12-11	26-12-11	
Kadi –Bt Cotton	500	350	150
Amravati –Vunni Mech-1	800	800	Unch
Ahmedabad – Shankar-6	55000	45000	10000
Abohar	800	800	Unch
Muktsar	400	450	-50

## Prices of Cotton, Cotton Seed and Jute at Other Centers: As on 27/12/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	1362.6	Unginned	3500	3710	3650
		Asifabad	339.6	Unginned	3450	3670	3650
		Banaganapalli	16	Mungari	3600	4000	3800
		Choppadandi	101	Unginned	3450	3855	3700
		Indravelly	84.3	Unginned	3500	3675	3600
		Kanchecherla	NR	Unginned	3300	3700	3500
		Khammam	200	Unginned	3600	3800	3750
		Kuber	116.9	Unginned	3650	3700	3675
		Parvathipuram	21.5	Desi	3333	3846	3529
		Tadikonda	0.1	Unginned	3000	3500	3300
		Tadipatri	NR	MCU 5	3800	4000	3900
	Gujarat	Amreli	132	Other	2650	4375	4345
		Bhiloda	106	Other	4150	4300	4240
		Bodeli	210	Shanker 6	4181	4280	4250
		Halvad	214.4	Other	4155	4325	4250
		Idar	477	Other	4050	4260	4155
		Jam Jodhpur	121.2	Desi	4025	4350	4200
		Kadi	50	Other	4130	4385	4300
		Limdi	43	Shanker 6	4310	4365	4337
		Morbi	265.1	Other	4110	4455	4283
		Palitana	800	Other	3375	4250	3812
		Rajkot	900	Other	4050	4375	4225
		Rajula	60	Other	3500	4380	3940
		Unava	30.2	Other	4000	4305	4275
		Vadgam	4.46	Other	4105	4205	4155
		Vadhvan	3	Shanker 6	4180	4230	4205
		Visnagar	331.6	Other	3750	4365	4060
	Haryana	Ellanabad	NR	American	2900	4050	4040

	Karnataka	Bijapur	213	LH-1556	1800	4051	3849
		Chitradurga	193	Varalakshmi	3120	5119	4300
		Davangere	21	MCU 5	3419	4320	3936
			NR	Varalakshmi	3889	4479	4040
		Hubli	92	GCH	2525	4159	4059
			NR	Varalakshmi	4219	4679	4519
		Kollegal	8	Other	3500	4000	3800
		Nargunda	95	GCH	3919	3975	3950
		Raichur	120	F-1054	3550	4025	3751
		Ranebennur	6	GCH	3771	4049	3876
		Santhesargur	60	Krishna	3000	3500	3300
		Shimoga	47	LD-327	3829	4631	4230
		Sindhanur	9	F-1054	4030	4030	4030
	Madhya Pradesh	Anjad	92.9	H4	3400	3990	3900
		Lahorda	97.1	H4	3900	4075	3950
		Manawar	60	Other	3800	3800	3800
		Sonsar	900.5	H4	2640	4000	3850
	Punjab	Dhuri	11	American	2000	4080	3850
		Giddarbaha	209	R.G.J-34	3280	4100	4075
		Jaitu	53	Other	3655	4130	4050
		Kotkapura	80	American	2900	4155	4000
		Malout	220	Other	3525	4010	4000
		Raman	260	Other	3465	4135	4115
		Sangat	135	American	2720	4060	4030
		Sangrur	10	American	1500	4145	4100
	Rajasthan	Anoopgarh	67.8	American	3760	3945	3852
			NR	Desi	4500	4700	4600
		Bilara	35.9	Other	3900	4180	4100
			1676	American	3500	3838	3715
		Gharsana	NR	Desi	4200	4612	4543
			1132.7	American	3400	4050	3955
		Hanumangarh	NR	Desi	4200	4666	4400
			176.3	American	3020	3841	3751
		Padampur	NR	Desi	4251	4628	4582
			138	American	3101	3836	3800
		Raisingh Nagar	NR	Desi	3950	4551	4400
			160.3	American	3415	3970	3740
	Tamil Nadu	Sri Karanpur	NR	Desi	4180	4589	4320
			38.5	Other	3855	4086	4000
		Sumerpur	NR	Other	4100	4350	4275
		Annur	NR	Other	4100	4350	4275
			NR	DCH-32	3920	4020	3970
		Konganapuram	NR	Other	3560	4205	3882
			NR	LRA	3000	3800	3500
		Kovilpatti	NR	MCU 5	3500	4500	4000
			NR	Other	2000	3000	2500
		Salem	NR	DCH-32	4000	4500	4250
			NR	Other	4300	5100	4700
		Tiruchengode	NR	DCH-32	3900	4200	4050
			NR	LRA	3700	4000	3850
		Usilampatty	NR	Other	4100	4400	4250
			NR	LRA	3030	3270	3150

			NR	MCU 5	2970	3170	3090
			NR	Other	2640	2740	2680
		Villupuram	20	Other	3869	4170	3950
<b>Jute</b>	Andhra Pradesh	Bobbili	2.6	Jute	1400	1600	1500
		Gajapathinagaram	2.5	Jute	1400	1500	1450
		Vijayanagaram	0.3	Jute	1800	2000	1900
	West Bengal	Coochbehar	40	TD-5	1975	2025	2000
		Islampur	3.5	TD-5	1900	1950	1925
		Jiaganj	112.5	TD-5	1750	1820	1800
		Kaliaganj	30	TD-5	1750	1850	1800
		Mekhliganj	6	Other	2050	2200	2125
		Raiganj	46	TD-5	1750	1850	1800
		Samsi	20	Jute	1950	2050	2000
			NR	TD-5	1850	1950	1900
<b>Cotton Seed</b>	Gujarat	Mansa	133	Other	3700	4285	4225
	Uttar Pradesh	Muzzafarnagar	NR	Other	2500	2600	2565

**Cotton Association of India Spot Rates: As on 27/12/2011**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
<b>Bengal Deshi (RG)/ Assam Comilla</b>	Below 22mm	5.0 - 7.0	15	33900
<b>Bengal Deshi (SG)</b>	Below 22mm	5.0 - 7.0	15	34800
<b>J-34</b>	25mm	3.5 - 4.9	23	31100
<b>H-4/ MECH-1</b>	28mm	3.5 - 4.9	25	32700
<b>Shankar-6</b>	29mm	3.5 - 4.9	26	34300
<b>Bunny/ Brahma</b>	31mm	3.5 - 4.9	27	34500
<b>MCU-5/ Surabhi</b>	33mm	3.3 - 4.5	28	36400
<b>DCH-32</b>	35mm	2.8 - 3.6	31	41800

**Cotlook Index: As on 26/12/2011-Closed**

Cotlook Indices	Cents/Pound	Change
<b>A-Index</b>	-	-

**China Cotton Index: As on 27/12/2011**

Index	RMB/Ton	Change
<b>CCIndex(328)</b>	19159	3
<b>CCIndex(527)</b>	16547	2
<b>CCIndex(229)</b>	20408	1

RMB - Renminbi, 1RMB = 0.16 \$U.S.

**USDA Cotton Spot Rates: As on 26/12/2011**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
<b>Southeast</b>	Closed	Closed	Closed
<b>North Delta</b>	Closed	Closed	Closed
<b>South Delta</b>	Closed	Closed	Closed
<b>East TX-OK</b>	Closed	Closed	Closed
<b>West Texas</b>	Closed	Closed	Closed
<b>Desert SW</b>	Closed	Closed	Closed
<b>SJ Valley</b>	Closed	Closed	Closed

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per tex and uniformity 80.5 to 81.4

**ICE Cotton Futures (Prices in cents/lb.): As on 26/12/2011**

Contract	Open	High	Low	Close	Change
Mar-12	Closed	Closed	Closed	Closed	Closed
May-12	Closed	Closed	Closed	Closed	Closed
Jul-12	Closed	Closed	Closed	Closed	Closed
Oct-12	Closed	Closed	Closed	Closed	Closed
Dec-12	Closed	Closed	Closed	Closed	Closed
Mar 13	Closed	Closed	Closed	Closed	Closed

**Pakistan Cotton Spot rates: As on 26/12/2011 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5250	130	5380
Equivalent	40 Kgs	5626	130	5576

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